

**PLANNING COMMISSION  
 COMMISSIONERS HEARING ROOM, COUPEVILLE, WA  
 TUESDAY NOVEMBER 9, 2010**

	<i>Members Present</i>	<i>Members Absent</i>
<i>District 1</i>	<i>Val Hillers</i>	
	<i>Dean Enell</i>	
	<i>Mike Joselyn</i>	
<i>District 2</i>	<i>Mitchell Howard</i>	
	<i>Terry Reynolds</i>	
	<i>Mahmoud Abdel-Monem</i>	
<i>District 3</i>	<i>Wayne Havens</i>	
	<i>William Lippens</i>	
	<i>Scott Yonkman</i>	

Meeting called to order at 9:01 a.m. by Chair Reynolds

**ROLL CALL**

*Mitchell Howard, Wayne Havens, Mike Joselyn, Terry Reynolds, Scott Yonkman, Dean Enell, Mahmoud Abdel-Monem, William Lippens, Val Hillers*

Staff Present: Robert Pederson – Planning Director, Anthony Boscolo – Long Range Planner, Troy Davis – Long Range Planner, Brad Johnson – Current Use Planner

**APPROVAL OF THE MINUTES – July 13, 2010**

*Commissioner Yonkman moved to approve the minutes, Commissioner Joselyn seconded, motion carried unanimously.*

**ITEMS FROM THE PUBLIC**

None

**DIRECTOR’S REPORT**

Director Robert Pederson introduced the Planning Commission to Troy Davis, Long Range Planner and Karen Stewart, SMP Coordinator.

**Updates**

**Ebey’s Landing National Historical Reserve** effort is ongoing. The Town Council and Board of County Commissioners met last week and finished their review of the design guidelines. They are scheduled to meet on the 16<sup>th</sup> of November from 9 a.m. to 1 p.m. and again on the 23<sup>rd</sup> from 1 p.m. to 4 p.m. to wrap up the Unified Code language and the maps of review area of 1 and 2.

The next steps will include joint meetings to take public input and then each legislative body will separately hold their own legally required public hearings for adoption of the ordinance.

**Freeland Sub Area Plan** There have been three public meetings in the Freeland community. This item will be coming to the Planning Commission on December 14<sup>th</sup> in Freeland at the Trinity Lutheran Church at 9:00 a.m. If there is a second public meeting it will be held on January 11, 2011, rather than December 28<sup>th</sup> due to the holiday, to ensure more people will be available to attend.

**The Parks Plan** The latest estimate received from Public Works for the Plan to come to the Planning Commission is in the March / April time frame. Information will be passed on as it is received.

**Joint meeting** with the Planning Commission, the Board of County Commissioners, and the Hearing Examiner is hoped to be held on February 7<sup>th</sup>.

**The Shoreline Master Program (SMP) Update** will be ongoing. It is a good time to start looking at the countywide planning policies which may be part of the work plan for next year.

## **NEW BUSINESS – Public Hearing**

**Review of the Board of County Commissioner's change to CPA 155/04** (the proposed Oak Harbor Urban Growth Area expansion). The Board rejected the Planning Commission's 2006 recommendation on this amendment and further determined that only one of the seven parcels recommended by the Planning Commission for expansion to the Oak Harbor Urban Growth Area boundaries should be included. The remaining area is  $\pm$  18 acres at the NE corner of Ault Field Road and Goldie Road, currently zoned LM.

Director Pederson provided background on the issue as related in his October 29<sup>th</sup> memo:

Comprehensive Plan Amendment CPA 155/04 was the subject of several Planning Commission public meetings and public hearings in 2003, 2004, and then again in 2006, finally culminating in a Planning Commission recommendation for approval in January of 2007.

Following the 2007 approval, the Planning Department did not transmit the Planning Commission's recommendation and findings to the Board, presumably because of subsequent appeals of the SEPA threshold determination for this comprehensive plan amendment.

On September 8, 2010, the Planning Commission's recommendation and findings were transmitted to the Board. On September 13<sup>th</sup>, the Board set a public meeting for October 11, 2010 to consider the Planning Commission's recommendation and findings. Board action was required by the Growth Management Act.

The Board had two options: to adopt the Planning Commission's recommendation "as is" or to reject the Planning Commission's recommendation and determine what, if any, changes were necessary to CPA 155/04.

On October 11, 2010, following public comment, the Board voted to:

- 1) Reject the Planning Commission's recommendation; and
- 2) Determined that only 1 of the 6 proposed expansion areas should be included in the Oak Harbor UGA.

The area the Board voted to include has been referred to as Parcel 1 (Hansen) throughout the proceedings for CPA 155/04. This ± 18 acre area is northwest of the intersection of Ault Field Road and Old Goldie Road, adjacent to NAS Whidbey.

The 2007 Planning Commission's recommendation included Parcel 1 and 6 other areas that were identified as future residential growth areas. Parcel 1 was identified for industrial (i.e., nonresidential) uses.

Now that CPA 155/04 is back before the Planning Commission, the Commission has 90 days in which to hold a public hearing and then issue a report and recommendation to the BICC. The Planning Commission does not have the option of further modifying or amending CPA 155/04 in their report and recommendation. The Planning Commission is to hold a public hearing and make a recommendation specifically on the revised Comprehensive Plan Amendment, CPA 155/04, as changed by the BICC.

Parcel 1 (Hansen), has been the descriptive reference for this polygon throughout the processing of CPA 155/04. In fact, the ±18 acre area known as Parcel 1 contains 6 tax parcel numbers assigned by the County Assessor and those records reflect there are 5 owners.

Mr. Pederson stated that the Planning Commission does not have the option of changing the Board's action, but must hold a public hearing on CPA 155/04 as changed by the Board and make a recommendation to the Board.

Staff recommends approval of CPA 155/04.

Chair Reynolds opened the hearing to public comment.

**GayLynn Beighton 2507 West Beach Rd.**

Provided information on her background as a Real Estate expert.

Ms. Beighton proceeded to present some slides from a PowerPoint presentation used at the 10/11/10 hearing before the Board of Island County Commissioners.

- Discussed land capacity and buildable land analysis, 106% of the capacity.
- She identified lots determined by Oak Harbor to have no capacity; however some of these were being advertised as having capacity from 36 - 100 units while the 2005 hearings were in progress.
- Discussed the market change, facts and trends since 2005.
- From 2002 – 2005 there was an increasing shortage of inventory of single family homes, specific to the 98277 zip code.
- August 2005 the inventory rapidly climbed with an increase of new homes on the market and continued through 2007.

- 2008, 2009 the banking crisis compounded the excess of inventory.
- Beginning in June 2009 a more balanced market of buyers and sellers occurs.
- As of August 2010 there is 14.7 months of inventory, which means if not a single seller place a home on the market and no new spec homes were built, it would take 14.7 months to absorb the current inventory based on the current rate of sales.

There are many overlooked parcels in downtown, which would create a vibrant pedestrian friendly downtown benefitting local businesses. Developing these parcels first is an efficient use of land and infrastructure and will save taxpayers and utility rate payers.

Ms. Beighton stated she supports the revised CPA 155/04.

**Steve Erickson, speaking for WEAN, Box 53, Langley**

Stated they support the inclusion of this property in the Oak Harbor UGA.

He spoke to the SEPA issue and the withdrawal of the MDNS.

The MOU with Oak Harbor and the County states there is going to be a green belt; the only real opportunity for passage around Oak Harbor by wildlife is to the south and to the west and these options should not be foreclosed by development.

Supports CPA 155/04 as modified by the Board.

**Marianne Edain, also speaking for WEAN, Box 53, Langley**

Stated they appreciate that the County Commissioners took something that was very difficult and contentious and not a good plan and reduced the scope to make it a good plan. She further stated they are supportive of the amended CPA 155/04 by the Board.

**Al Williams, 1875, Fort Nugent Rd.**

Noted a couple of issues related to the Growth Management Act, it was not something randomly done, but done with great deliberation. He cited WAC 365.196.310 regarding urban growth areas:

2(c) An urban growth area may include territory that is located outside a city if such territory already is characterized by urban growth or is adjacent to territory already characterized by urban growth.

(i) Urban growth should be located first in areas already characterized by urban growth that have existing public facilities and service capacities adequate to serve urban development.

3(f) Counties and cities should develop and evaluate urban growth area proposals with the purpose of accommodating projected urban growth through infill and redevelopment within existing municipal boundaries or urban areas. In some cases, expansion will be the logical response to projected urban growth.

The city's justification chose to take the highest range of the forecast for future growth, which seems to be inappropriate, particularly with the current recession which will reduce those forecasts. Historical growth trends and factors which would cause trends to change are supposed to be noted and that big change is the recession.

Section F subsection c(i) states "the urban growth area should be based on densities which accommodate urban growth, served by adequate public facilities, discourage sprawl,"

Most come to this area with the intent of preserving quiet, somewhat protected by the mainland's chaos and we would like to preserve that.

The WAC also states ... "Urban growth areas should not be expanded into designated agricultural, forest or resource lands unless no other option is available."

He further stated the purpose and intent of the Growth Management Act is obvious, it is to prevent urban sprawl.

..."counties and cities should avoid expanding the urban growth areas into areas with known critical areas extending over a large area." The earlier proposal did extend into critical areas and if adopted would have cut off the transportation route of the wildlife. It is an island with limited water supplies, limited resources.

The County's amendment to this proposal is reasonable and just.

**Cac Kamak**, Senior Planner – City of Oak Harbor, 865 Barrington SE Barrington Ave. Provided a written letter from the City of Oak Harbor to submit to the record (GMA # ), with the letter to the Board of County Commissioners attached.

Mr. Kamak read the letter into the record and answered questions regarding same.

Summary of concerns:

1. City of Oak Harbor's October 11, 2010 letter to the Board, outlining the City's concerns was not properly considered.
2. The proposal before the Planning Commission lacks analysis.
3. Market factor statements.
4. 20-year population allocation.
5. SEPA Determination.
6. SEPA Appeal.

The City requests the Planning Commission take these concerns into consideration before making a recommendation to the Board.

#### **Steve Erickson**

Discussed the SEPA Appeal of the MDNS; the City appealed on the basis the County couldn't impose the mitigations. After many negotiations, the County agreed they couldn't impose those mitigations and withdrew the determination. Without the mitigation it would have a significant adverse impact. Mr. Erickson states he doesn't understand the City's reasoning that the Commission can't consider that now, it is the reality of what happened.

Chair Reynolds closed the public comment period.

**Director Pederson** responded to the letter provided by the City of Oak Harbor relating to:

City of Oak Harbor's concerns not being considered by the Board of County Commissioners. There was a hearing held by the Board at which the City had an opportunity to relate those concerns to the Board. The weight the Board gives those concerns is up to the Board.

The Analysis is lacking, the City's record stands on its own face. The City's analysis stated there was adequate area within their UGA to accommodate urban growth. The statute specifically talks about County's designating boundaries and City's propose those boundaries to the County. Counties are not required to adopt boundaries exactly as proposed. Ultimately the County

designates those areas and the County is required to justify in writing or “show its work” why it so designated the area in a UGA. The County only has to justify what is included in a UGA and the staff report does justify why parcel 1 was appropriate to be designated within an Urban Growth Area.

Market Factor Statements, the work done by GayLynn Beighton certainly showed her work as one of the SEPA appellants and has been in the record for over three years and has not been rebutted by the City. The City was asked at the public hearing before the Board to address why the buildable lands analysis didn't include some of the parcel Ms. Beighton indicated. The City stated they didn't know and would have to check. There has been ample time to respond to that part of the record since that public hearing and they have chosen not to do so.

20-year population allocation, the population can be accommodated anywhere within the existing cities and unincorporated Island County in accordance with the existing zoning rules. It has been noted in the report to the Board for the first six years of the 20-year planning horizon are down substantially. There hasn't been any problem accommodating the growth in population without this Urban Growth Area being so designated. With the fresh information from 2010 census and the upcoming Comprehensive Plan update those population projections will be reviewed and will be part of the County's work program.

SEPA Determination, the MDNS SEPA process was noted for the record for full and complete disclosure. SEPA requires listing any prior environmental analysis or work that has been done on a project.

SEPA Appeal, is a question related to an appeal fee is a question for the Hearing Examiner is a legal question and is not part of the policy decision recommendation that is before the Planning Commission at this hearing.

Commissioner Hillers asked for clarification regarding the appeal statement.

Mr. Kamak stated the City still objects to not having all of the properties the City recommended be included, an appeal would probably be directed to the portion that is not in there and the arrival of the information used in the determination.

Commissioner Lippens stated the more room you give people the less imagination is used to fill it in. If pushed to use what they have, you will find innovative ways of providing housing with walk-able usable spaces in downtown Oak Harbor. If you give them as much as they want you will get sprawl. He stated he has seen this happen over and over, such as in Stanwood.

Commissioner Howard asked about the letter, point 2 related to a citizen critique of the City's work. He asked if Mr. Kamak had any insight as to why a citizen critique might not be appropriate of governmental work.

Mr. Kamak responded that he thought the City was trying to say a set of data can be perceived in so many different ways and everyone will perceive the data in the way that want to use that data. They are just numbers, but the perception of it is very subjective. When data is used from an outside source, the information provided should be analyzed to see if it makes sense for your policies or goals.

Director Pederson clarified for the record that nowhere in any of the staff memoranda does it rely on that data. It notes it for the record as additional information submitted as part of the SEPA

Appeal, after the Planning Commission made their prior recommendation in 2007. The County was clear that it was noted for the record, showing its work as the statute contemplates. Whatever value it has, it does raise issues about some of the methodology, assumptions, and applications of that methodology that the City used in their buildable lands analysis.

Commissioner Yonkman asked where the County stands in the seven year update.

Mr. Pederson responded that next periodic update for Island County is 2012. Last session the legislature passed a bill granting relief to Cities and County's to delay that process for up to 3 years due to current economics. That will be a policy decision that is up to the Board of County Commissioners.

The work needs to start next year, despite when the deadline is to be.

*Commissioner Hillers recommended approval of the Board of County Commissioners amended Comprehensive Plan with the recommendation to reconsider at the next Comp Plan update those properties that were left out.*

Commissioner Enell stated there were a number of factors to consider, the 2010 Census information is coming up and some of the population projections that Island County has used since the Comprehensive Plan was adopted in 1998 have turned out to be a little more aggressive than reality has proved to be the case.

The recession has changed things. There is an excess capacity of real estate. Oak Harbor realistically has the ability to absorb any growth that it might forecast. In 2007 it had 106% capacity and that study left some areas out, with the change in the growth rates and it all must be factored in. It is important for a city to fill in according to GMA. To achieve the dwelling units per acre that is recommended by the Growth Management Act.

He would be in favor of accepting the Board of County Commissioners recommendation of including the one 18 acre area, which is well suited for an urban area. If the new data, specifically the 2010 Census comes out and the City feels they need to add other areas to achieve their objectives it could be considered at that time.

*Commissioner Howard moved to accept the staff recommendation contained in Director Pederson's October 29<sup>th</sup> memo and recommend approval of CPA 155/04 as altered by Board of County Commissioners, Commissioner Abdel-Monem seconded.*

Call for further discussion.

Commissioner Yonkman stated he felt Commissioner Hillers had an element in her motion that tried to make sure that there was a path or an open door if the need arose. He also stated he agreed with Commissioner Lippens in that there needed to be some pressure placed to use available space and promote innovate uses. He is also concerned about the need to expand and doesn't want to stymie growth, but to ensure it happens properly.

Commissioner Howard asked if the discussion could be reflected with enough commentary in the Findings, tape, and typed records to provide the mix needed.

Director Pederson stated the minutes of the meeting will be available to the Board as part of that discussion as well as the fact that the Commission does not want to send a message that they are foreclosing future opportunities for expansion of the Urban Growth Area and will be included as part of the transmittal to the Board.

Commissioner Lippens stated the population projections have significantly been reduced, he does not feel they will run out of space in the next ten to fifteen years.

Chair called for a vote. *The motion carried unanimously.*

*Chair Reynolds moved to authorize the Chair to sign the Findings after distribution to the Commission and agreement that it adequately reflects their findings, Commissioner Joselyn seconded, motion unanimously approved.*

### **Zoning Map Corrections**

Update Zoning Maps to include parcel R23009-480-0190 in Greenbank Farm Special Review District (SR-GF) and reflect zone change of parcel R32902-045-4870 from Rural (R) to Commercial Agriculture (CA) as approved by 025/10 ZAA.

Director Pederson discussed several technical mapping corrections that are needed and will be brought forth to the Planning Commission.

### **Discussion on Impact Fees – Planning Commissioner Dean Enell**

Presented a short PowerPoint

#### **Impact fees for Island County, is it time?**

- ◆ ***What are they***
- ***Where did they come from***
- ***Who uses them***
- ***The potential revenue***
- ***The Details***
- ***The Steps to Implement***
  
- ***Why?***

#### **What Are They**

- ***A fee placed at permit time on new construction***
- ***A means to offset the costs to provide adequate facilities, infrastructure and services to accommodate the growth represented by that development – specifically:***
  - **Roads and transportation**
  - **Parks and recreation**
  - **Schools**
  - **Fire Protection**

- **Impact fees can only be used to fund facilities that are planned and directly associated with the new development.**
- **Impact fees cannot exceed the development's proportional share of system improvements that are reasonably related to the new development.**

### **Where Did Impact Fees Come From and where do they apply?**

- **Established by the WA State Growth Management ACT (RCW 82.02.50) in 1992**
- **Applies to Counties with a population over 50,000 and a growth rate of at least 10% over the last 10 years**
- **Employing jurisdictions must have a comprehensive growth plan per GMA**

### **Impact Fees in Washington State Who uses Them?**

- **Of the 73 jurisdictions authorized to use impact fees, all but about 4 qualifying jurisdictions use this funding mechanism**
- **Counties with impact fees: Clark, King, Kitsap, Pierce, Skagit, Snohomish**
- **Cities with impact fees**

### **Cities in WA With Impact Fees (67)**

ANACORTES, ARLINGTON, AUBURN, BAINBRIDGE ISLAND, BATTLE GROUND, BELLEVUE, BELLINGHAM, BLAINE, BONNEY LAKE, BOTHELL, BRIDGEPORT, BRIER, BUCKLEY, BURLINGTON, CAMAS, CARNATION, CHEHALIS, CHENEY, COUPEVILLE, COVINGTON, DARRINGTON, DUVALL, EATONVILLE, ELLENSBURG, ENUMCLAW, EVERETT, FEDERAL WAY, FERNDALE, FIFE, GOLD BAR, GRANITE FALLS, ISSAQUAH, KENMORE, KENT, KIRKLAND, LA CENTER, LACEY, LYNDEN, MAPLE VALLEY, MARYSVILLE, MEDICAL LAKE, MILL CREEK, MILTON, MONROE, MOUNT VERNON, MUKILTEO, NEWCASTLE, OAK HARBOR, OLYMPIA, PASCO, POULSBO, PUYALLUP, REDMOND, RENTON, RIDGEFIELD, SEATAC, SEDRO-WOOLLEY, SPOKANE, STANWOOD, STEILACOOM, SULTAN, TUMWATER, VANCOUVER, WASHOUGAL, WOODINVILLE, YELM, ZILLAH (source:MSRC)

- **Who's missing: (Lynnwood, Port Townsend and Langley)**

### **The Potential Revenue**

- ◆ **Increase in housing units (Island County 2000-2008)**
- ◆ **Unincorporated 19% (23250-27646 = 4496)**
- ◆ **Incorporated 18% (Oak Harbor 19%, Langley 15%, Coupeville 14%)**

- An average impact fee per SFR is \$6588 in WA State*
- 500 SFR permits per year = \$3.3 million.*

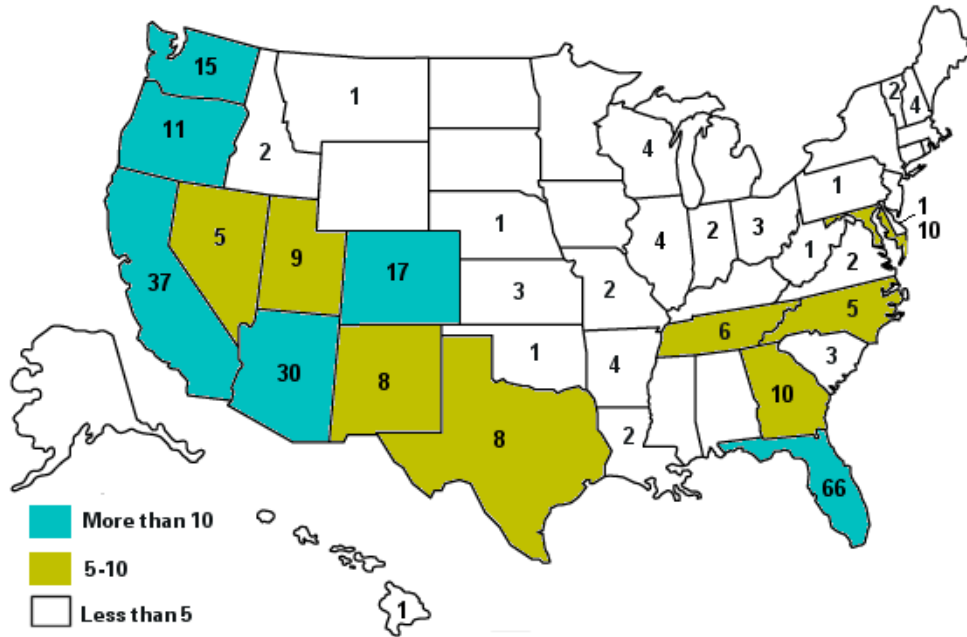
### **The Details Legal Requirements per RCW 82.02.050**

- Shall not exceed a proportionate share of the costs of system improvements that are reasonably related to and will benefit the new development*
- Used for demands placed on existing public facilities by new development*
- May be collected and spent only for the public facilities which are addressed by a capital facilities plan*
- Must be spent in 6 years (10 for school expenses)*
- Local governments have the discretion to provide exemptions from impact fees for low-income housing and other "broad public purpose" development.*

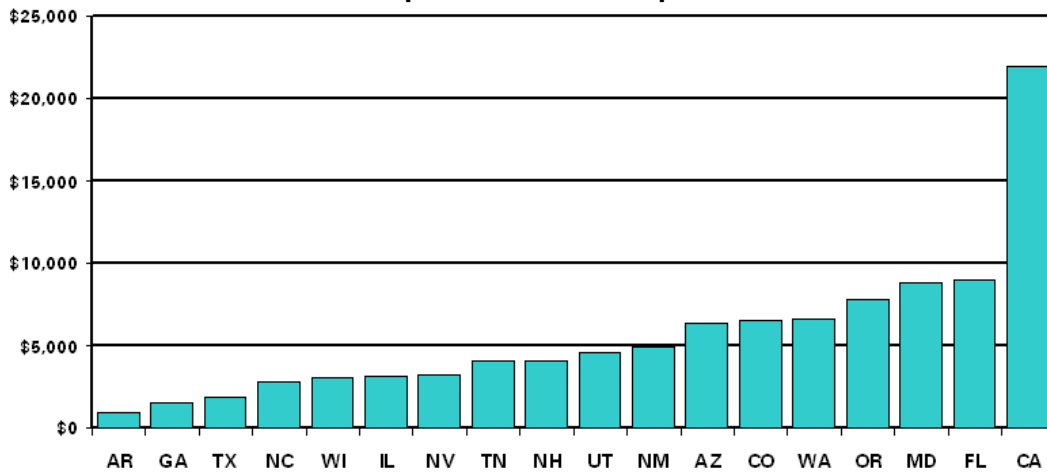
### **Goals of the GMA**

- *Focus urban growth in urban areas.*
- *Reduce sprawl.*
- *Provide efficient transportation.*
- *Encourage affordable housing.*
- *Encourage sustainable economic development.*
- *Protect property rights.*
- *Process permits in a timely and fair manner.*
- *Maintain and enhance natural resource-based industries.*
- *Retain open space and habitat areas and develop recreation opportunities.*
- *Protect the environment.*
- *Encourage citizen participation and regional coordination.*
- *Ensure adequate public facilities and services.*
- *Preserve important historic resources.*
- *Manage shorelines wisely.*

## National Jurisdictions with Impact Fees



## Impact Fees – costs per State



## Average Impact Fee Amounts

- Average Impact fee in Washington = \$6580**
- National Avg. = \$8251**
- Roads=\$3200 and Schools = \$4700**

## **Steps to Implement Roads example – Puyallup 2005**

- Identify a need – a road where level of service (LOF) will be exceeded in the future*
- Get the project on the Capital Facilities Plan with a cost estimate*
- Determine the percentage of this increased capacity that is allocated to growth (trips per day from new development)*
- Determine funds from other sources*
- Total cost minus other sources times percentage due to growth = cost attributable to growth*
- Allocate this cost attributable to growth using trips per day numbers generated by new development*
- Establish an Impact Fee per development*

### **Puyallup Road Results**

- SFR = \$3039*
- Apartment = \$1800*
- Condo = \$1585*

### **Why Consider Impact Fees in Island County? (my view)**

- Our existing business model isn't working (growth = one time monetary influx with long term negative financial consequences)*
- Fair – should existing residents, that have already paid for existing infrastructure, pay for its expansion?*
- Proven - They are an essential source of revenue used by other Puget Sound jurisdictions*
- Allows Island County to promote positives such as affordable housing and density in urban area*
- Ends the subsidy we currently offer development*

### **Sources**

- MSRC (Municipal Resource and Services Center)*
- Revised Code of Washington ( RCW's)*
- Rate Study for Impact fees for Roads, City of Puyallup by Henderson, Young and Co. 2005*
- Island County Web site*
- Duncan and Associates, Austin, TX (Jurisdictions with Impact fees)*

Commissioner Scott Yonkman provided a paper on the subject from NAHB, (National Associated of Home Builders), "The Local Impact of Home Building in Island County, WA."

Commissioner Lippens commented that now was not a very good time to introduce something that would discourage growth, in the long term however it is something that should be looked at.

Commissioner Yonkman read from another study done by NAHB to determine whether or not housing supported itself. The study indicates the housing does support itself.

Commissioner Hillers stated she believed in fairness and doesn't understand why someone building a new home should be penalized more than someone moving here into an existing house.

Commissioner Lippens commented that if someone moves into an existing house they are not adding to the infrastructure burden whereas someone building a new house may. He further stated that impact fees cover one time costs of new roads and infrastructure and then the property tax structure pays for things on an ongoing basis. He felt it still needed to be studied and was not sure if it should be looked at now.

Commissioner Reynolds stated the subdivisions added to Oak Harbor are required to put in their own infrastructure and roads before the subdivision plat is approved. An impact fee detracts from the affordability of homes and she doesn't see the need for impact fees at this time.

Commissioner Joselyn stated that without a Capital and Facilities Plan the subject is rather moot.

Director Pederson stated the comments made here today have pretty well captured the discussion on all sides of the impact fee question. They are very controversial. It is a very intensive and costly work effort to do those studies and rationale and the justifications needed to support impact fees.

Commissioner Enell finished with the statement that Island County is currently in a dire financial condition. What could it do to avoid this in the future? Something is wrong with the current business model of Island County, it couldn't even pass a small property tax increase and something needs to be done to make things more sustainable and not have this skeletonized County government that can't provide the type of services that he feels are essential.

*Commissioner Joselyn moved to adjourn, Commissioner Havens seconded, the motion carried unanimously.*

Meeting adjourned at 11:18 a.m.  
Respectfully submitted by Paula Bradshaw